



DEALER ADVISORY

DIVISION OF MOTORIST SERVICES

BUREAU OF ISSUANCE OVERSIGHT

To: All Dealers

Subject: Update Regarding Implementation of Net Selling Price

Advisory	Implementation
Date: June 28, 2012	Date: Immediate

Advisory Number: BIO/12-05

Initially, the Department asked dealers to begin entering the Net Selling Price beginning July 1, 2012 to coincide with the Department's legislative mandates and release. However, since this portion is not legislatively mandated and due to a few issues, we are allowing dealers additional time to start entering this information.

We appreciate many dealers and vendors moving forward to implement this item on July 1, 2012. However, we understand that some dealers need more time to print and program their printers for the revised version of form HSMV 82040 (REV. – 6/12).

Therefore, beginning July 1, 2012, the system **WILL NOT** reject those transactions where the form HSMV 82040 is missing this data. We are asking tax collector offices and license plate agencies to allow additional time for dealers to comply.

Please begin using the revised form HSMV 82040 (REV. – 6/12) beginning July 1, 2012, if possible and begin entering the sales price. Otherwise, begin using the revised form HSMV 82040 (REV. – 6/12) as soon as you have it ready. In the meantime, you may write or type the Net Selling Price in the Dealer Section 7 of form HSMV 82040.

Tax Collector offices and tag agencies are only responsible for ensuring the net selling price has been entered on form HSMV 82040. The processing clerk is not responsible for calculating the net selling price or sales tax.

The Department of Revenue provided us the attached information to share with you.

We will monitor progress and let everyone know when the system will be changed making entry of the Net Selling Price a mandatory requirement. We appreciate your patience and help in this matter.

Additional Information About Calculating Net Selling Price:

The Net Selling Price is equivalent to the "taxable base" entered on Line 1A of the DR 15. Net Selling Price is the sales price of the vehicle, minus the trade value, plus the addition of any taxable items currently reported now on the DR 15 such as dealer fees, the sales of other taxable items and excluding government fees that are non-taxable.

Example:

Vehicle Base Price is \$15,000.00

Less Trade-In -\$5,000.00

Plus Dealer Fee of \$500.00

Plus Misc. Other Items of \$1,000.00 = Taxable Price of \$11,500.00. Enter this in Section 7, 3rd Box (Net Selling Price).

If the vehicle is registered in a 1% County, the 6% portion is \$690.00,

Plus the County portion on the First \$5,000.00 is \$50.00.

The Amount in Section 7, 5th Box (Amount of Tax) is \$740.00.